ALLANGRAY

FUND DETAILS AT 31 MAY 2011

 Fund status:
 Currently restricted to existing investors only

 Inception date:
 1 July 1998

Fund objective:

The Fund remains predominantly invested in South African equities. It seeks to earn higher returns in South African rands than the South African stock market, without greater risk of loss. The Fund's benchmark is the FTSE/JSE Africa All Share Index, including income ('JSE Index') and its currency benchmark is 100% South African rand.

| Price: | 1 179.1 |
|--|-------------------|
| Size: | R1 715 m |
| R/\$: | 6.828 |
| Minimum lump sum per investor account: | US\$50 000 |
| Load: | None |
| Dealing day: | Weekly (Thursday) |

Annual investment management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark over a rolling three-year period. The manager's sharing rate is 25% of the out- and underperformance of the benchmark over the rolling three-year period and a minimum fee of 0.5% and a maximum fee of 2.5% (excl. VAT) applies.

COMMENTARY

The FTSE/JSE All Share Index continued to trade sideways for the month of May.

A feature of the Allan Gray Africa Equity Fund is the relative underweight position in the basic materials sector. This is even more interesting when considering that the African continent is seen by many as the new frontier for mining companies. We agree that Africa is very well endowed with minerals and the potential for production growth is large. The problem is that equity market investors have to pay a high price for this opportunity.

The Industrial commodity markets are experiencing a once in a generation boom, caused by China's growing demand for raw materials. The high prices have led to record profits and share prices for many commodity producers. We do not believe the margins these companies are generating are sustainable as the companies are investing their sizable retained earnings in new production, in time this should bring down returns. On our estimate of normal earnings we do not find much value, bar a few exceptions, in the basic materials sector at present, despite the growth potential.

ALLAN GRAY AFRICA EQUITY (RAND) FUND LIMITED

TOP 10 HOLDINGS AT 31 MARCH 2011¹

| Company | % of fund |
|--------------------------|-----------|
| Sasol | 10.0 |
| SABMiller | 9.9 |
| Remgro | 7.3 |
| MTN | 5.5 |
| AngloGold Ashanti | 5.3 |
| Coronation Fund Managers | 3.9 |
| Standard Bank | 3.8 |
| Sanlam | 3.6 |
| Reinet Investments SA | 3.6 |
| Mondi | 3.5 |
| Total | 56.4 |

1. The 'Top 10 Holdings' table is updated quarterly.

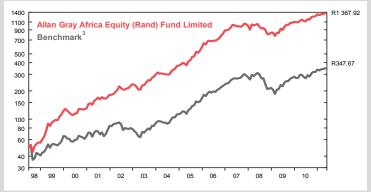
SECTOR ALLOCATION AT 31 MARCH 2011²

| Sector | % of fund | JSE Index |
|--------------------------|-----------|-----------|
| Oil & gas | 10.0 | 5.6 |
| Basic materials | 24.0 | 38.5 |
| Industrials | 12.0 | 5.5 |
| Consumer goods | 15.9 | 13.8 |
| Healthcare | 3.0 | 1.8 |
| Consumer services | 1.7 | 9.0 |
| Telecommunications | 6.4 | 7.0 |
| Financials | 20.3 | 18.7 |
| Technology | 1.1 | 0.3 |
| Fixed interest/Liquidity | 5.6 | - |
| Total | 100 | 100 |

2. The 'Sector Allocation' table is updated quarterly.

PERFORMANCE

Value of R50 invested at inception (dividends reinvested)



| % Returns | Fund | Benchmark ³ |
|--|--------|------------------------|
| Since inception (unannualised) | 2635.8 | 595.3 |
| Since inception (annualised) | 29.2 | 16.2 |
| Latest 10 years (annualised) | 23.8 | 16.6 |
| Latest 5 years (annualised) | 14.9 | 12.7 |
| Latest 3 years (annualised) | 9.3 | 3.6 |
| Latest 1 year | 21.2 | 23.2 |
| Unannualised | | |
| Year to date | 2.5 | 2.6 |
| Month to date | - 0.2 | - 0.8 |
| Risk measures (Since inception month end prices) | | |
| Maximum drawdown ⁴ | 26.0 | 42.0 |
| Percentage positive months | 63.2 | 60.0 |
| Annualised monthly volatility | 18.3 | 21.1 |
| Beta vs JSE index | 0.7 | 1.0 |
| Annualised monthly tracking error | 12.0 | - |

 FTSE/JSE Africa All Share Index including income. Source: FTSE International Limited, performance calculated by Allan Gray as at 31 May 2011

calculated by Allan Gray as at 31 May 2011. 4. Maximum percentage decline over any period

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Shares in the Fund are available by Prospectus only. Certain capitalised terms are defined in the Prospectus. While we have endeavoured to ensure the accuracy of the information herein, such information herein, such information is not guaranteed as to accuracy or completeness. Returns are net of fees, include income and assume reinvestment of dividends. Past performance is not a reliable indicator of future results. The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. When making an investment in the Fund, an investor's capital is at risk. The investment objective of the Fund should be compared with the investor's objective and then the performance of the investment and whether it represents value for money should be evaluated as part of the financial planning process. Returns may decrease or increase as a result of currency fluctuations. FTSE/JSE Africa All Share Index data source is FTSE International Limited under licence. Allan Gray International (Pty) Limited, an authorised financial services provider, is the appointed investment and westment adviser.